

Washington State Gambling Commission



Revised 2015-17 Biennium Budget

Mission

Protect the public by ensuring that gambling is legal and honest

August 13, 2015

Presented by Julie Lies

Overview

- Introduction and background
- Projected Revenue
- Projected Expenditures
- Financial Position & Working Capital Balance
- Request 2015-17 Biennium Budget Approval

2015-17 Biennium Budget

Approved August 2014

	Dollars			FTE's		
	FY16	FY17	2015-17 Biennium	FY16	FY17	2015-17 Biennium
Revenue	\$12,003,514	\$11,960,514	\$23,964,028			
Expenditures	\$ 12,316,284	\$ 12,013,036	\$ 24,329,320	114.5	110.5	112.5
Difference			(\$ 365,292)			
Decision package requests			\$ 3,025,232	14.5	14.5	14.5

The difference between revenue and expenditures could be paid from forfeiture funds or by spending down the working capital balance.



Projected Revenue



2015-17 Biennium Budget

Projected Two Year Revenue

	Gambling Revolving Account
August 2014 - Projected Revenue	\$23,964,028
Current Projected Revenue	\$ 25,624,236

Reasons for the change:

- November 2014 fee increase was approved after budget approval
- Updated licensee and Tribal billing rates after budget approval
- Updated licensee trends



Revenue

Future Impacts

- New cost allocation method to update billing rates
- Licensed activity changes
- Potential license fee restructure



Projected Expenditures



2015-17 Biennium Budget

Projected Two Year Expenditures

Part 1 – Agency Adjustments

	Gambling Revolving Account
Projected Expenditures - August 2014	\$ 24,295,083
<i>Agency Adjustments</i>	<i>\$ 867,827</i>
<i>Agency Adjusted Expenditures</i>	<i>\$ 25,162,910</i>

Significant Changes

- Adjust FY17 FTE to 114.0.
- Allotment re-alignment, including some capital expenditures



2015-17 Biennium Budget

Projected Two Year Expenditures

Part 2 – Mandated Increases

	Gambling Revolving Account
<i>Agency Adjusted Expenditures (Part 1)</i>	\$ 25,162,910
<i>Mandated Adjustments (Part 2)</i>	\$ 909,256
Current Projected Expenditures	\$ 26,072,166

Significant changes:

- Increase in PERS and PSERS pension rates
- Changes in L&I Medical Aid rate
- Statewide salary increase 3.0% and 1.8%
- Changes in healthcare costs
- Statewide salary adjustments for specific job classes
- Statewide central service costs from other agencies



Expenditures

Future Impacts

- Closing Everett regional office
- Downsize Yakima satellite office
- Possible headquarters move if feasible
- Regular review of Special Agent compensation





2015-17 Biennium Budget

Gambling Revolving Account Reconciliation

	2015-17 Biennium Budget
Projected Revenue	\$ 25,624,236
Projected Expenditure w/ agency adjustments (Part 1)	\$ 25,162,910
<i>Projected Revenue exceed Expenditures by \$461,326</i>	
Projected Expenditure w/ agency & mandated adjustments (Parts 1 & 2)	\$ 26,072,166
<i>Projected Expenditures exceed Revenue by (\$448,230)</i>	

FY16 Financial Position

	Gambling Revolving Account	Forfeiture Fund Accounts
Projected FY16 starting WCB (as presented in Aug 2014)	\$ 1,817,513	\$ 546,585
Actual FY16 starting WCB	\$ 4,164,052	\$ 546,585

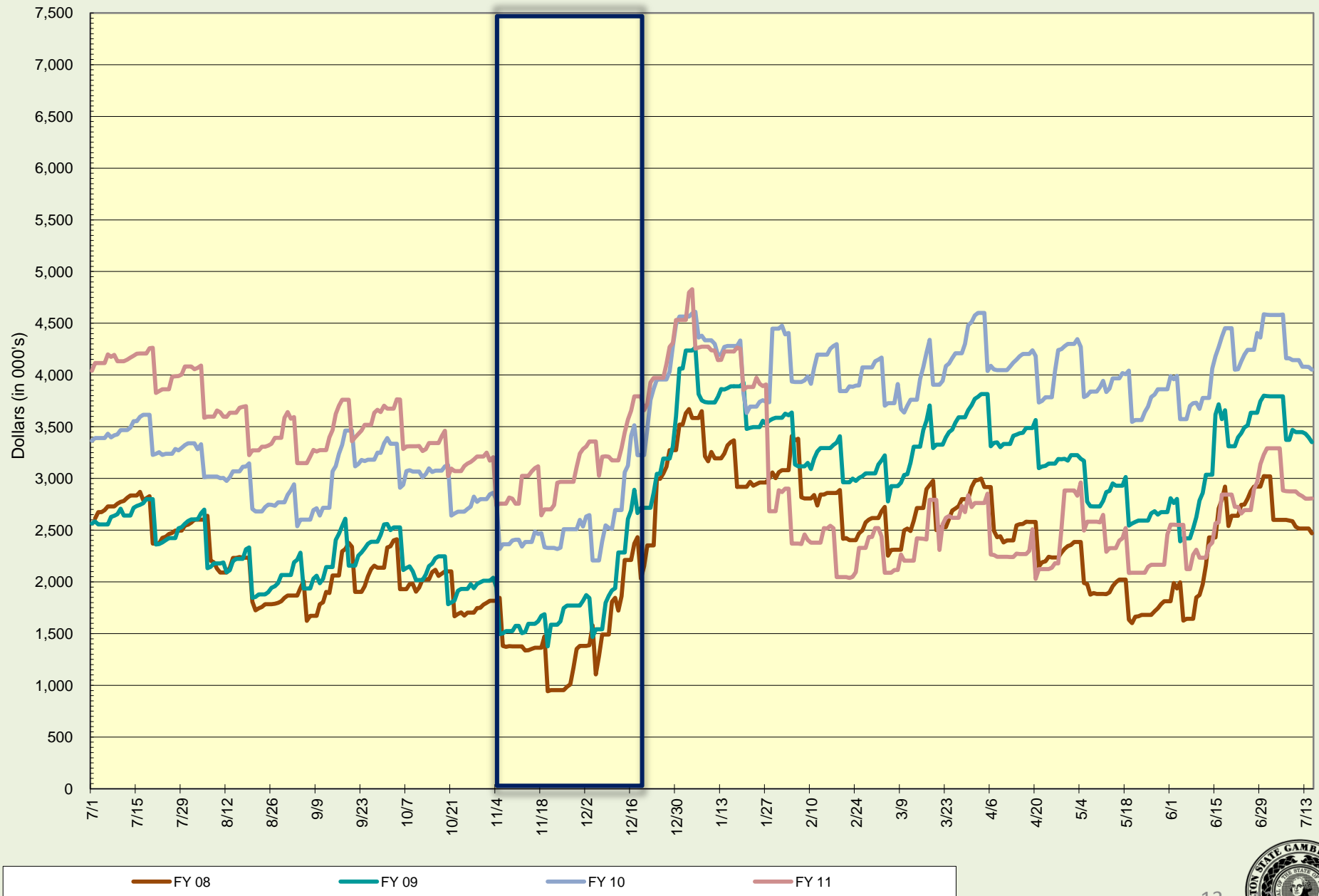
Reasons for the change:

- Of those receiving layoff notices, some obtained other employment and some retired
- Unexpected vacancies reduced actual FTE level below 114.0
- Approved November 2014 fee increase was not included in projected revenue

<i>OFM recommended WCB</i>	<i>\$ 2,110,210</i>
<i>5% of projected expenditures</i>	<i>\$1,303,608</i>



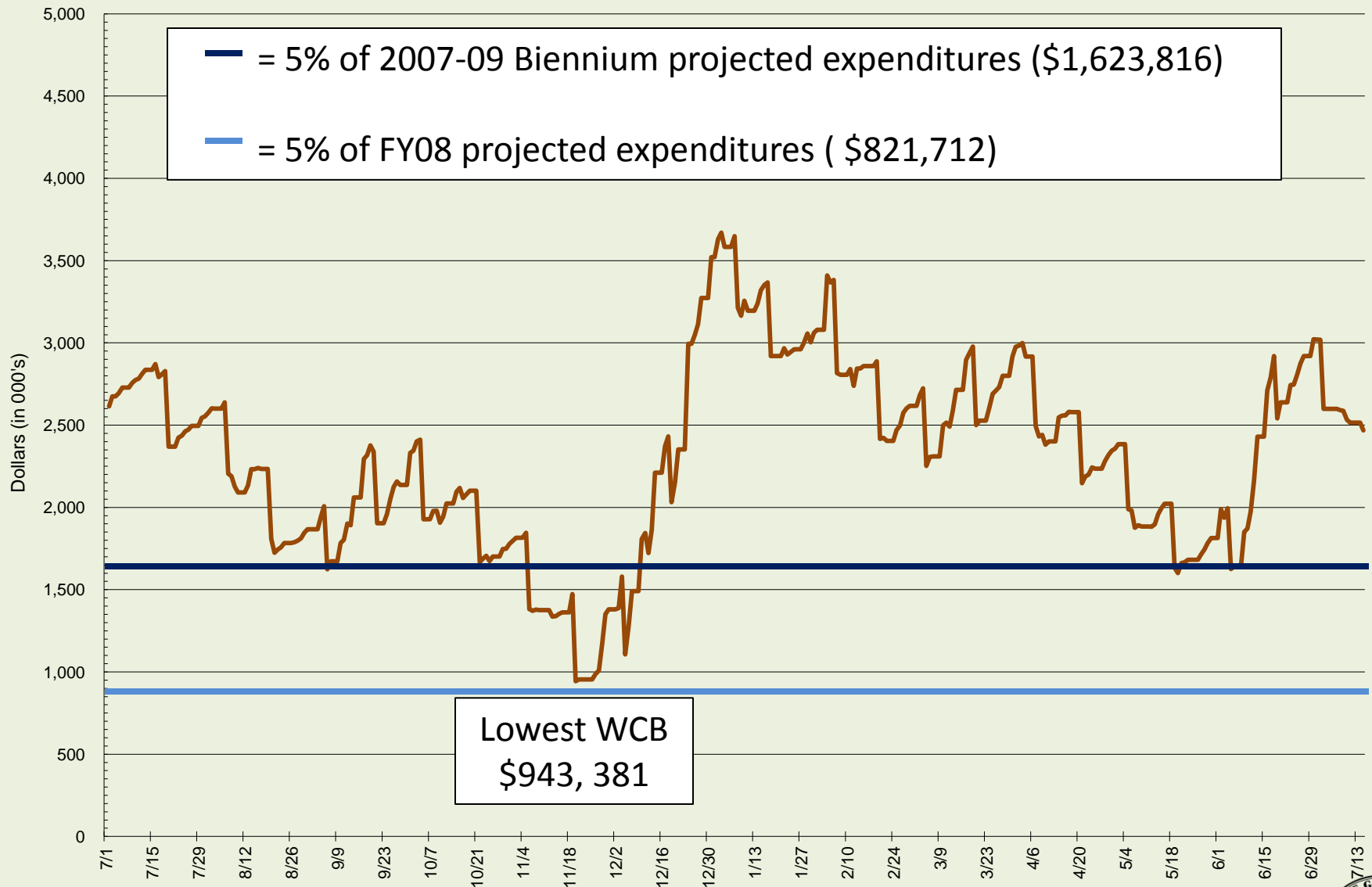
Gambling Commission's Daily Working Capital Balance FY08, FY09, FY10, FY11



Gambling Commission Working Capital Balance

Weekly Balance for FY 2008

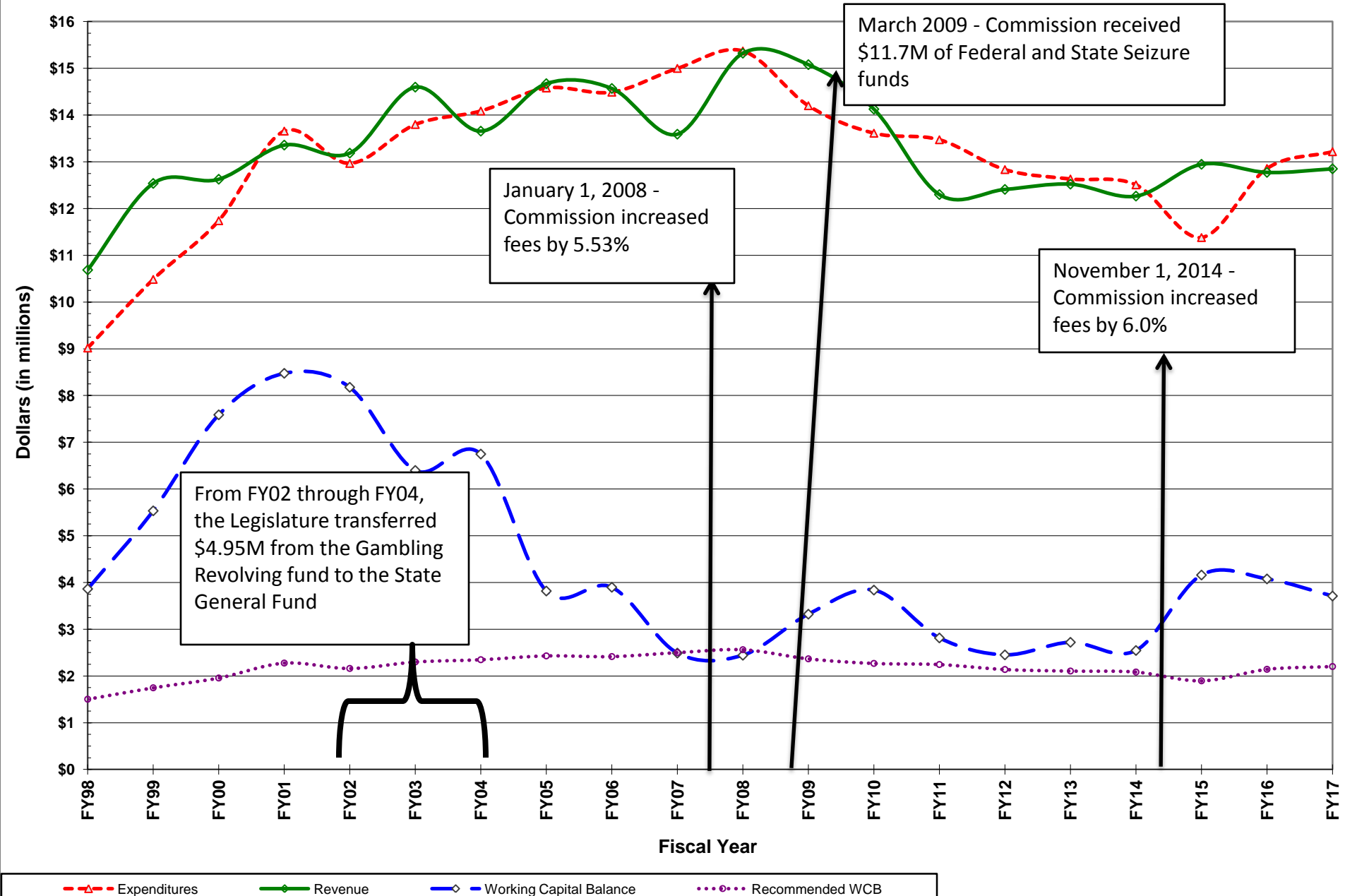
(July 2007 through June 2008)





Gambling Revolving Fund

Actual and Estimated Revenues, Expenditures, and Year-End Working Capital
FY98 through FY17



Staff Recommendation:

Approve Revised 2015-17 Biennium

	Dollars			FTE's		
	FY16	FY17	2015-17 Biennium	FY16	FY17	2015-17 Biennium
Revenue	\$12,773,878	\$12,850,358	\$25,624,236			
Expenditures	\$ 12,856,592	\$ 13,215,574	\$ 26,072,166	114.0	114.0	114.0
Projected ending WCB	\$ 4,081,338	\$ 3,716,122				

